

## **Notice of Proposed Agency Action**

**SUBJECT:** MassHealth: Payment for Acute Hospital Services effective January 15, 2007

**AGENCY:** Massachusetts Executive Office of Health and Human Services (EOHHS), Office of Medicaid

### **Introduction**

The following describes and summarizes proposed changes in MassHealth payment for services provided by in-state acute hospitals. A complete description of the Rate Year 2007 (RY2007) MassHealth acute hospital inpatient and outpatient payment methods and rates, including amendments thereto, is available at [www.comm-pass.com](http://www.comm-pass.com). For further information regarding RY2007 payment methods and rates, you may contact Kiki Feldmar at the Executive Office of Health and Human Services, Office of Acute and Ambulatory Care, One Ashburton Place, 5<sup>th</sup> Floor, Boston, MA 02108.

### **Proposed Change in Payment Method**

#### **1. Acute Hospital Inpatient Services**

##### **A. Summary of Proposed Changes in Methodology Related to the Rate Year 2007 Calculation of the Standard Payment Amount Per Discharge (SPAD) and other Inpatient Services**

1. It deletes the payment for 85% of expenses for certain Inpatient services in Pediatric Specialty Hospitals and Pediatric Specialty units.
2. It amends **Section 6.B** to simply cross reference the MassHealth regulations to describe hospital payments in the event of third-party coverage.
3. It revises the area wage designation for hospitals re-classified by the Geographical Classification Board of the Center for Medicare and Medicaid Services and accordingly adjusts the statewide standard.
4. It holds harmless those hospitals whose inpatient rates would otherwise have decreased due do implementation of changes in the area wage designations.

#### **2. Outpatient Services**

##### **A. Summary of Proposed Changes to the Rate Year 2007 Methodology for Calculating the Payment Amount Per Episode (PAPE) and Other Acute Outpatient Hospital Service Payments**

1. It deletes a PAPE provision for a Certain Hospital Subject to Potential Rate Decreases.

2. It amends **Section 6.B** to simply cross reference the MassHealth regulations to describe hospital payments in the event of third-party coverage.

### **Justification**

Changes made regarding hospital payment rates were made in accordance with state and federal law and are within the range of reasonable payment levels to acute hospitals.

### **General Information**

EOHHS estimates that the changes in inpatient and outpatient rates described herein will decrease annual expenditures for acute hospital services by approximately \$1.1 million.

**Statutory Authority:** M.G.L. ch.118G; M.G.L. ch.118E; M.G.L. c. 29, sec. 9C; St. 2006, ch.58; St. 2006, ch.139; 42 USC 1396a; 42 USC 1396b; 42 USC 1315.

**Related Regulations:** 130 CMR 410, 415, 450; 114.6 CMR 11.00; 42 CFR Part 447.

## **Section 5: Reimbursement System**

### **A. General Provisions**

Acute Hospitals that participate in the MassHealth program under the terms of the Hospital Contract and its accompanying payment methodology shall accept payment at the rates established in this RFA as payment in full for services reimbursable by EOHHS that are rendered to MassHealth Members admitted as inpatients or treated as outpatients on or after October 1, 2006.

Non-acute units and units within Hospitals that operate under separate licenses, such as skilled nursing units, will not be affected by this methodology.

The rate of reimbursement to disproportionate share Hospitals, as defined in M.G.L. c. 118G § 1, is subject to promulgation by the Division of Health Care Finance and Policy (DHCFP) of the rate methodology described below.

In accordance with the General Appropriation Act for state fiscal year 2007, any Hospital whose SPAD, inpatient per diem or PAPE payment rate under the payment methodologies described herein for hospital rate year 2007, would otherwise be less than such rates in effect during hospital rate year 2006, shall be paid at the applicable SPAD, inpatient per diem or PAPE rate of payment in effect during hospital rate year 2006, except where the General Appropriation Act for state fiscal Year 2007 specifies otherwise.

In order to implement rate adjustments, effective January 15, 2007, for Hospitals whose area wage designation was reclassified by the Geographical Classification Review Board of the Center for Medicare and Medicaid Services, a recalculation of the rates for all Hospitals was required. Effective January 15, 2007, any Hospital whose recalculated SPAD and inpatient per diem payments would otherwise be less than such rates in effect on October 1, 2006, shall be paid at the SPAD and inpatient per diems in effect on October 1, 2006.

### **B. Payment for Inpatient Services (Rates in Appendix C)**

#### **1. Overview**

Except as otherwise provided in **Sections 5.B.6 through 5.B.13**, payments for Inpatient Services provided to MassHealth Members not enrolled in an MCO will be reimbursed a Hospital-specific Standard Payment Amount per Discharge (SPAD) (see **Section 5.B.2**) which will consist of the sum of (1) a statewide average payment amount per discharge that is adjusted for wage area differences and the Hospital-specific MassHealth casemix; (2) a per-discharge, Hospital-specific payment amount for Hospital-specific expenses for malpractice and organ acquisition costs; (3) a per-discharge Hospital-specific payment amount for direct medical education costs, which includes a Primary Care training incentive and a specialty care reduction; and (4) a per-discharge payment amount for the capital cost allowance, adjusted by a Hospital-specific casemix and by a capital inflation factor. Each of these elements is described in **Sections 5.B.2 through 5.B.5**.

Payment for psychiatric services provided in DMH-Licensed Beds to MassHealth Members who are not served either through a contract between EOHHS and its BH Contractor or an MCO shall be made through an all-inclusive Psychiatric Per Diem. (See **Section 5.B.6**.)

established at the cost per discharge corresponding to the position on the cumulative frequency of discharges that represents 90% of the total number of statewide discharges for October 1, 2004, through September 30, 2005. The RY07 efficiency standard is \$5329.95.

The statewide average payment amount per discharge was then determined by multiplying a) the weighted mean of the standardized cost per discharge, as limited by the efficiency standard; by b) the outlier adjustment factor of 95%; and by (c) the Inflation Factors for Operating Costs between RY03 and RY07. The resulting RY07 statewide average payment amount per discharge is \$4,037.95.

The statewide average payment amount per discharge was then multiplied by the Hospital's MassHealth casemix index adjusted for outlier acuity (using version 12.0 of the New York Grouper and New York weights) and the Hospital's Massachusetts-specific wage area index to derive the Hospital-specific standard payment amount per discharge (SPAD). To develop the Hospital's RY07 casemix index, EOHHS used casemix discharge data submitted to DHCFP by the Hospital, as accepted into DHCFP's database as of June 30, 2006, for the period October 1, 2004, through September 30, 2005, which was then matched with the MassHealth SPAD and transfer claims for MassHealth discharges during the same period to ensure that only MassHealth claims for discharges were included in the final casemix index calculations. The casemix data did not include discharges from Excluded Units. The wage area indexes were derived from the CMS Hospital Wage Index Public Use File (RY03, updated as of May 11, 2006).

Costs for outpatient ancillary services for Members admitted from observation status are included in Hospital-specific SPADs.

An outlier adjustment is used for the payment of Outlier Days as described in **Section 5.B.8.**

When groupers are changed and modernized, it is necessary to adjust the base payment rate so that overall payment levels are not affected solely by the grouper change. This aspect of "budget neutrality" is an approach that EOHHS is following, and one that has been a feature of the Medicare Diagnosis-Related Group (DRG) program since its inception. EOHHS reserves the right to update to a new grouper.

### **3. Calculation of the Pass-Through Amounts per Discharge**

The inpatient portion of malpractice insurance and organ acquisition costs was derived from each Hospital's RY05 DHCFP 403 cost report as screened and updated by DHCFP as of June 23, 2006. This portion of the Pass-Through amount per discharge is the sum of the Hospital's per-discharge costs of malpractice and organ acquisition costs. In each case, the amount is calculated by dividing the Hospital's inpatient portion of expenses by the number of total, all-payer days for the SPAD Base Year and then

the Hospital-specific average APG weight per episode is calculated for the relevant period by dividing the relevant payment by the conversion factor for the relevant period, and then by the number of Episodes. For the PAPE Base Year, the standard APG conversion factor was \$119.26.

**b. Payment System**

MassHealth processes and pays clean outpatient claims in accordance with 130 CMR 450 et seq.

**2. Physician Payments**

- a.** A Hospital may only receive reimbursement for physician services provided by Hospital-Based Physicians or Hospital-Based Entities to MassHealth Members. The Hospital must claim payment for the professional component of physician services in accordance with, and subject to: (1) the Physician regulations at 130 CMR 433.000 et seq.; (2) the Acute Outpatient Hospital regulations at 130 CMR 410.000 et seq.; and (3) other rules regarding physician payment as set forth in this RFA.
- b.** Such reimbursement shall be the lower of (1) the fee established in the most current promulgation of the DHCFP regulations at 114.3 CMR 16.00, 17.00, 18.00 and 20.00 (including the applicable facility fee for all services where such facility fee has been established); (2) the Hospital's Usual and Customary Charge for physician fees; or (3) the Hospital's actual charge submitted. Hospitals will not be reimbursed separately for professional fees for practitioners other than Hospital-Based Physicians or Hospital-Based Entities as defined in **Section 2**.
- c.** Hospitals will be reimbursed for physician services only if the Hospital-Based Physician or a physician providing services on behalf of a Hospital-Based Entity took an active patient care role, as opposed to a supervisory role, in providing the Outpatient Service(s) on the billed date(s) of service. The Hospital-Based Physician may not bill for any professional component of the service that is billed by the Hospital.

Acute Hospitals that receive payment as Sole Community Hospitals shall be determined by EOHHS and will be identified in **Appendix C**.

## **2. Specialty Hospitals and Pediatric Specialty Units**

The standard inpatient payment amount per discharge for Specialty Hospitals and Pediatric Specialty Units (as defined in **Section 2**) shall be equal to the sum of:

95% of the Hospital's RY03 cost per discharge capped at 200% of the statewide average payment amount per discharge, adjusted for casemix and inflation; and the Hospital-specific RY07 Pass-Through amount per discharge and the capital amount per discharge.

Derivation of per-discharge costs is described in **Section 5.B**.

Adjustments were made for casemix and inflation as described in **Section 5.B**.

There will also be outlier payments in accordance with **Section 5.B.8**.

Acute Hospitals that receive payment as Specialty Hospitals and those with Pediatric Specialty Units will be identified in **Appendix C**. For Hospitals with Pediatric Specialty Units, the payment calculated under this section shall only apply to services rendered in the Pediatric Specialty Unit.

## **3. Public Service Hospital Providers**

### **a. Inpatient Reimbursement**

Public Service Hospitals shall be reimbursed for Inpatient Services as follows, and in accordance with **Section 5.D.3.c** below. The standard inpatient payment amount per discharge for Public Service Hospitals (as defined in **Section 2**) shall be equal to the sum of:

95% of the Hospital's RY03 cost per discharge capped at 200% of the statewide average payment amount, adjusted for casemix and inflation; and the Hospital-specific RY07 Pass-Through amount per discharge and the capital amount per discharge.

Derivation of per-discharge costs is described in **Section 5.B**.

Adjustments were made for casemix and inflation as described in **Section 5.B**.

There will also be outlier payments in accordance with **Section 5.B.8**. Acute Hospitals that receive payment as Public Service Hospitals shall be determined by EOHHS and will be identified in **Appendix C**.

**b. Outpatient Reimbursement**

Public Service Hospitals shall be reimbursed for Outpatient Services in accordance with **Section 5.C** and **Section 5.D.3.c**.

**c. Supplemental Medicaid Rate for Public Service Hospitals**

Subject to legislative appropriation or authorization, compliance with all applicable federal statutes, regulations, waiver provisions, and payment limits, and the availability of federal financial participation at the rate of no less than 50%, EOHHS will make a supplemental payment to Public Service Hospitals. The payment amount will be (i) determined by EOHHS using data filed by each qualifying

## **7. Certified Public Expenditures**

Subject to compliance with all applicable federal statutes, regulations, waiver provisions, and payment limits, and federal financial participation at the rate of no less than 50%, the State may certify as public expenditures eligible for federal financial participation, allowable Medicaid costs incurred by eligible hospitals, or expenditures made by municipalities, or other public entities, for services provided to MassHealth members at a Hospital.

### **E. Safety Net Care Acute Hospital Payments**

MassHealth will assist Hospitals that carry a financial burden of caring for uninsured and publicly insured persons of the Commonwealth. In accordance with the terms and conditions of the Commonwealth's 1115 waiver governing Safety Net Care, and subject to compliance with all applicable federal requirements, MassHealth will make an additional payment above the rate specified in **Sections 5.B, 5.C, and 5.D** for RY07 to Hospitals which qualify for such payment under any one or more of the classifications listed below. Only Hospitals that have an executed Contract with EOHHS, pursuant to this RY07 RFA, are eligible for the following Safety Net Care payments. If a Hospital's RFA Contract is terminated, its payment shall be prorated for the portion of RY07 during which it had such Contract with EOHHS. The remaining funds it would have received may be apportioned to remaining eligible Hospitals. The following describes how Hospitals will qualify for each Safety Net Care payment described below, and the methodology for calculating those payments.

When a Hospital applies to participate in MassHealth, its eligibility and the amount of the following Safety Net Care payments shall be determined. As new Hospitals apply to become MassHealth Providers, they may qualify for such payments if they meet the criteria under one or more of the following classifications. Therefore, some Safety Net Care payments may require recalculation pursuant to DHCFP regulations set forth at 114.1 CMR 36.00. Hospitals will be informed if the payment amount will change due to reapportionment among the qualified group and will be told how overpayments or underpayments by EOHHS will be handled at that time.

All Safety Net Care payments are subject to the availability of federal financial participation.

#### **1. High Public Payer Hospitals: 63% Hospitals**

The eligibility criteria and payment formula for this classification are specified in DHCFP regulations, promulgated in accordance with M.G.L. c. 118G § 11(a) (see 114.1 CMR 36.00). For purposes of this classification, the term "disproportionate share Hospital" refers to any Acute Hospital that exhibits a payer mix where a minimum of 63% of the Acute Hospital's Gross Patient Service Revenue is attributable to Title XVIII and Title XIX of the Social Security Act, other government payers and free care. (See M.G.L. c. 118G, § 1.) Payments shall be made during the term of the RY07 Hospital Contract. Each High Public Payer Hospital's payment is equal to each hospital's share of all allowable free care costs by High Public Payer Hospitals, multiplied by \$11.7 million appropriated for this payment. Payments hereunder are subject to specific legislative appropriation and the availability of funding for the



payment. Without limiting the generality of the foregoing, payments hereunder are subject to all necessary spending authority, including but not limited to the Governor's exercise and the agency's implementation of allotment reductions pursuant to G.L. ch. 29, sec. 9C.

## **2. Public Service Hospital Safety Net Care Payment**

Subject to legislative appropriation or authorization, compliance with all applicable federal statutes, regulations, waiver provisions, and payment limits, and the availability of federal financial participation at the rate of no less than 50%, EOHHS will make a Public Service Hospital Safety Net Care payment to Hospitals which meet the following criteria: (1) is a public or a Public Services Hospital; (2) has a volume of free care charges in FY93 that is at least 15% of total charges; and (3) is an essential safety net provider in its service area, as demonstrated by the delivery of services to populations with special needs, including persons with AIDS, trauma victims, high-risk neonates, and indigent patients without access to other providers. The payment amount shall be reasonably related to the services provided to patients eligible for medical assistance under Title XIX, or to low-income patients.

The payment amount will be (i) determined by EOHHS using data filed by each qualifying Hospital in financial reports required by EOHHS, and (ii) specified in an agreement between EOHHS and the qualifying Hospital.

EOHHS reserves the right to make safety net care payments to Public Service Hospitals in such amounts and pursuant to such methods and using such funding sources as may be approved by CMS.

Acute Hospitals that receive safety net care payments as Public Service Hospitals shall be determined by EOHHS.

## **3. Uncompensated Care Safety Net Care Payment**

Hospitals eligible for this payment are those acute facilities that incur costs for services to low-income patients as defined by the DHCFP regulations. The payment amounts for eligible Hospitals are determined and paid by DHCFP in accordance with its regulations at 114.6 CMR 11.00. Eligible Hospitals will receive these payments on a periodic basis during the term of their RY07 Hospital Contract.

## **4. Safety Net Care Payment for Pediatric Specialty Hospitals and Hospitals with Pediatric Specialty Units**

The eligibility criteria and payment formula for this classification are specified by regulations of DHCFP, promulgated in accordance with M.G.L. c. 118G, § 11(a) (see 114.1 CMR 36.00). In order to be eligible for this adjustment, the Hospital must be a Pediatric Specialty Hospital or Hospital with a Pediatric Specialty Unit as defined in **Section 2**. Payments hereunder are subject to specific legislative appropriation and the availability of funding for the payment. Without limiting the generality of the foregoing, payments hereunder are subject to all necessary spending authority,

including but not limited to the Governor's exercise and the agency's implementation of allotment reductions pursuant to G.L. ch. 29, sec. 9C.

Acute Hospitals that receive safety net care payments as Pediatric Specialty Hospitals and Hospitals with Pediatric Specialty Units shall be determined by EOHHS.

## **5. Certified Public Expenditures**

Subject to compliance with all applicable federal statutes, regulations, waiver provisions, and payment limits, and federal financial participation at the rate of no less than 50%, the State may certify as public expenditures eligible for federal financial participation, allowable costs incurred by eligible hospitals, or expenditures made by municipalities or other public entities, for uninsured or unreimbursed services or costs at a Hospital.

## **6. Section 122 of Chapter 58 Safety Net Health System Payments**

EOHHS will make supplemental payments to the two publicly operated or public-service state-defined disproportionate share Hospitals with the highest relative volume of uncompensated care costs in hospital fiscal year 2007. As defined in Section 122 of Chapter 58 of the Acts of 2006, total payments under this section will not exceed \$200 million for total unreimbursed free care and Medicaid services, including Medicaid-managed care services, and the operation of the respective safety net health care systems. Boston Medical Center and Cambridge Health Alliance are the only Hospitals eligible for this payment.

# **F. Federal Financial Participation (FFP)**

## **1. FFP Denials**

If any portion of the reimbursement pursuant to this RFA is not approved or is the basis of a disallowance by CMS, EOHHS may recoup, or offset against future payments, any payment made to a Hospital in excess of the approved reimbursement.

## **2. Exceeding Limits**

### **a. Hospital-Specific Limits**

If any payments made pursuant to this RFA exceed any applicable federal Hospital-specific payment limits, including, but not limited to, charge limits, upper payment limits, and limits based on federally approved payment methods, EOHHS may recoup, or offset against future payments, any payment made to a Hospital in excess of the applicable limit.

## **Section 6: Payment and Reporting Provisions**

All payments under this RFA are subject to the following provisions, as well as all other rules and regulations governing service limitations, claims payment, billing and claims processing procedures, utilization control requirements and all other MassHealth conditions of payment.

### **A. Services Requiring Practitioner Prior Approval**

EOHHS will not reimburse a Hospital for services provided when the practitioner is required to, but fails to obtain prior authorization, referrals or other approval for the service. It is the Hospital's responsibility to ensure that a practitioner providing services in the Hospital has obtained the necessary approvals.

### **B. Hospital Payments in the Event of Third-Party Coverage**

1. Except to the extent prohibited by 42 U.S.C. § 1396a(a)(25)(E) or (F), the Hospital must make diligent efforts, as defined under 130 CMR 450.316(A), to identify and obtain Insurance Payments before billing MassHealth.
2. For Inpatient Admissions, Outpatient Services, and Emergency Department Services where the Member has Third-Party Insurance coverage, EOHHS will pay the Hospital according to Third-Party Liability provisions at 130 CMR 450.316-321.

**Commonwealth of Massachusetts  
Executive Office of Health and Human Services**

**Appendix C  
Inpatient Service Rates**

In addition, Hospitals receive individual Inpatient Service rate sheets.

Initial Acute Hospital Inpatient Rates-HRY07-RFA07 Effective -10/1/2006-9/30/2007	Rate Code 25 UB92=X1	Rate Code 61 UB92=X5	Rate Code 28 UB92=X3 Standard	Rate Code 90 UB92=Y4	Rate Code 84 UB92=Y1 MassHealth	Rate Code 85 UB92=Y2 MassHealth	Rate Code 71	Rate Code 27 UB92=X2 Pediatric	Rate Code 63 UB92=X7 Pediatric	Rate Code 29 UB92=X4 Pediatric
<b>BOLDED RATES EFFECTIVE 1/15/07</b>	Standard Payment Amt per Discharge	Standard Transfer Payment Amt	Outlier Payment Amt	Mental Health Payment Amt	w/Medicare B AD payment Amt	Only AD payment Amt	Rehab per diem	Payment Amt per Discharge	Transfer Payment Amt	Outlier Payment Amt
Hospital										
ANNA JAKUES HOSPITAL	\$ 4,800.60	\$ 1,367.08	\$ 878.73	\$811.98	\$ 232.31	\$251.22				
ATHOL HOSPITAL	\$ 5,609.03	\$ 1,632.95	\$ 1,008.45	not applicable	\$ 232.31	\$251.22				
BAYSTATE MED. CTR.	\$ 8,219.45	\$ 2,215.93	\$ 1,462.28	\$811.98	\$ 232.31	\$251.22				
BERKSHIRE MED. CTR.	\$ 6,634.90	\$ 1,511.30	\$ 1,253.43	\$811.98	\$ 232.31	\$251.22				
BETH ISRAEL-DEAC	\$ 8,797.49	\$ 2,267.11	\$ 1,638.91	\$821.12	\$ 232.31	\$251.22				
BETH ISRAEL-DEAC-NEEDHAM	\$ 9,528.69	\$ 2,145.78	\$ 1,823.91	not applicable	\$ 232.31	\$251.22				
<b>BEVERLY HOSPITAL</b>	<b>\$ 5,149.01</b>	<b>\$ 1,169.55</b>	<b>\$ 994.12</b>	\$811.98	\$ 232.31	\$251.22				
BOSTON MEDICAL CTR *	\$ 11,843.19	\$ 3,045.35	\$ 2,197.38	not applicable	\$ 232.31	\$251.22	\$ 682.38			
BRIGHAM & WOMEN'S	\$ 8,980.84	\$ 2,157.64	\$ 1,652.88	not applicable	\$ 232.31	\$251.22				
BROCKTON HOSPITAL	\$ 4,815.58	\$ 1,196.13	\$ 919.13	\$811.98	\$ 232.31	\$251.22				
<b>CAMBRIDGE HOSPITAL*</b>	<b>\$ 5,786.96</b>	<b>\$ 1,667.79</b>	<b>\$ 1,138.22</b>	\$811.98	\$ 232.31	\$251.22				
CAPE COD HOSPITAL**	\$ 5,033.13	\$ 1,297.59	\$ 982.65	\$811.98	\$ 232.31	\$251.22				
CARNEY HOSPITAL	\$ 8,679.35	\$ 2,307.25	\$ 1,648.77	\$821.12	\$ 232.31	\$251.22				
CHILDREN'S MEDICAL CENTER***				\$821.12	\$ 232.31	\$251.22		\$ 16,565.79	\$ 4,387.23	\$ 2,740.90
CLINTON HOSPITAL	\$ 6,147.36	\$ 1,694.73	\$ 1,072.18	\$811.98	\$ 232.31	\$251.22				
COOLEY-DICKINSON	\$ 4,372.72	\$ 1,198.41	\$ 845.44	\$811.98	\$ 232.31	\$251.22				
DANA FARBER***	\$ 17,433.52	\$ 4,769.22	\$ 3,228.32	not applicable	\$ 232.31	\$251.22				
<b>EMERSON HOSPITAL</b>	<b>\$</b>	<b>\$</b>	<b>\$ 843.89</b>	\$811.98	\$ 232.31	\$251.22				

	<b>4,352.46</b>	1,093.83								
	\$	\$								
FAIRVIEW HOSPITAL	2,979.78	876.02	\$ 590.91	not applicable	\$ 232.31	\$251.22				
	\$	\$								
FALMOUTH HOSPITAL	4,917.10	1,218.13	\$ 964.18	not applicable	\$ 232.31	\$251.22				
	\$	\$								
FAULKNER HOSPITAL	8,017.44	2,139.06	\$ 1,474.51	\$821.12	\$ 232.31	\$251.22				
	\$	\$								
FRANKLIN MED CTR	4,141.63	1,138.18	\$ 813.95	\$811.98	\$ 232.31	\$251.22				
	\$	\$								
GOOD SAMARITAN MED CTR	5,154.25	1,349.38	\$ 988.54	\$811.98	\$ 232.31	\$251.22				
	\$	\$								
<b>HALLMARK</b>	<b>5,225.24</b>	1,436.26	<b>\$ 995.77</b>	\$811.98	\$ 232.31	\$251.22				
	\$	\$								
<b>HARRINGTON MEM'L</b>	<b>3,912.40</b>	1,059.17	<b>\$ 775.10</b>	\$811.98	\$ 232.31	\$251.22				
	\$	\$								
<b>HEALTH ALLIANCE</b>	<b>4,898.76</b>	1,150.48	<b>\$ 973.65</b>	\$811.98	\$ 232.31	\$251.22				
	\$	\$								
<b>HENRY HEYWOOD</b>	<b>3,870.35</b>	928.69	<b>\$ 764.44</b>	\$811.98	\$ 232.31	\$251.22				

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Hospital										
<b>HOLY FAMILY HOSPITAL</b>	<b>\$ 5,064.31</b>	\$ 1,410.22	<b>\$ 964.22</b>	\$811.98	\$ 232.31	\$251.22				
HOLYOKE HOSPITAL	\$ 5,591.43	\$ 1,581.97	\$ 1,068.83	\$811.98	\$ 232.31	\$251.22				
HUBBARD REGL	\$ 6,848.39	\$ 1,958.48	\$ 1,254.40	not applicable	\$ 232.31	\$251.22				
JORDAN HOSPITAL	\$ 5,362.31	\$ 1,320.10	\$ 1,029.17	not applicable	\$ 232.31	\$251.22				
<b>LAHEY CLINIC</b>	<b>\$ 13,407.76</b>	<b>\$ 2,938.31</b>	<b>\$ 2,497.56</b>	not applicable	\$ 232.31	\$251.22				
LAWRENCE GENERAL	\$ 5,187.15	\$ 1,444.03	\$ 925.62	not applicable	\$ 232.31	\$251.22				
<b>LOWELL GENERAL</b>	<b>\$ 4,350.42</b>	\$ 1,076.38	<b>\$ 842.69</b>	not applicable	\$ 232.31	\$251.22				
MARLBOROUGH HOSP	\$ 7,478.21	\$ 2,097.24	\$ 1,286.21	\$811.98	\$ 232.31	\$251.22				
MARTHA'S VINEYARD HOSP**	\$ 4,810.64	\$ 2,051.41	\$ 1,230.85	not applicable	\$ 232.31	\$251.22				
MARY LANE HOSPITAL	\$ 3,869.90	\$ 908.26	\$ 772.02	not applicable	\$ 232.31	\$251.22				
MASS. EYE & EAR INF***	\$ 10,929.69	\$ 2,431.24	\$ 2,066.56	not applicable	\$ 232.31	\$251.22				
MERCY HOSPITAL	\$ 5,886.91	\$ 1,308.94	\$ 1,112.60	\$811.98	\$ 232.31	\$251.22				
<b>MERRIMACK VALLEY</b>	<b>\$ 7,066.83</b>	\$ 1,859.38	<b>\$ 1,345.16</b>	\$811.98	\$ 232.31	\$251.22				
<b>METROWEST MED CTR</b>	<b>\$ 4,255.36</b>	\$ 1,066.74	<b>\$ 835.00</b>	\$811.98	\$ 232.31	\$251.22				
MASS. GENERAL HOSPITAL***	\$ 10,345.29	\$ 2,324.40	\$ 1,846.84	\$821.12	\$ 232.31	\$251.22		\$ 15,298.18	\$ 2,927.37	\$ 2,488.26
<b>MILFORD REGL</b>	<b>\$ 4,894.04</b>	\$ 1,318.10	<b>\$ 956.69</b>	not applicable	\$ 232.31	\$251.22				
MILTON HOSPITAL	\$	\$	\$	not applicable	\$ 232.31	\$251.22				

	8,552.72	2,095.07	1,586.72							
<b>MORTON HOSPITAL</b>	<b>\$ 5,118.95</b>	<b>\$ 1,283.06</b>	<b>\$ 982.29</b>	\$811.98	\$ 232.31	\$251.22				
<b>MOUNT AUBURN</b>	<b>\$ 5,147.09</b>	<b>\$ 1,229.34</b>	<b>\$ 1,009.68</b>	\$811.98	\$ 232.31	\$251.22				
NANTUCKET COTTAGE HOSP**	\$ 4,835.92	\$ 1,403.03	\$ 841.82	not applicable	\$ 232.31	\$251.22				
<b>NASHOBA VALLEY</b>	<b>\$ 7,636.26</b>	<b>\$ 1,812.56</b>	<b>\$ 1,422.78</b>	not applicable	\$ 232.31	\$251.22				
NEW ENGLAND MED CTR***	\$ 9,166.51	\$ 2,192.76	\$ 1,686.89	\$821.12	\$ 232.31	\$251.22		\$ 22,024.08	\$ 4,311.32	\$ 3,664.62
NEW ENGLAND BAPTIST	\$ 13,515.48	\$ 3,425.49	\$ 2,502.74	not applicable	\$ 232.31	\$251.22				
<b>NEWTON-WELLESLEY</b>	<b>\$ 6,097.31</b>	<b>\$ 1,436.07</b>	<b>\$ 1,176.71</b>	\$811.98	\$ 232.31	\$251.22				
NOBLE HOSPITAL	\$ 7,821.70	\$ 1,941.70	\$ 1,454.61	\$811.98	\$ 232.31	\$251.22				
NORTH ADAMS HOSPITAL	\$ 4,545.10	\$ 1,330.04	\$ 867.64	\$811.98	\$ 232.31	\$251.22				
<b>NORTH SHORE MEDICAL CENTER</b>	<b>\$ 5,251.53</b>	<b>\$ 1,364.16</b>	<b>\$ 1,010.73</b>	\$811.98	\$ 232.31	\$251.22				



<b>Initial Acute Hospital Inpatient Rates-HRY07-RFA07 Effective -10/1/2006-9/30/2007</b>	Rate Code 25 UB92=X1	Rate Code 61 UB92=X5	Rate Code 28 UB92=X3 Standard	Rate Code 90 UB92=Y4	Rate Code 84 UB92=Y1 MassHealth	Rate Code 85 UB92=Y2 MassHealth	Rate Code 71	Rate Code 27 UB92=X2 Pediatric	Rate Code 63 UB92=X7 Pediatric	Rate Code 29 UB92=X4 Pediatric
<b>BOLDED RATES EFFECTIVE 1/15/07</b>	Standard Payment Amt per Discharge	Standard Transfer Payment Amt	Outlier Payment Amt	Mental Health Payment Amt	w/Medicare B AD payment Amt	Only AD payment Amt	Rehab per diem	Payment Amt per Discharge	Transfer Payment Amt	Outlier Payment Amt
Hospital										
NORWOOD HOSPITAL	\$ 5,264.27	\$ 1,452.73	\$ 1,016.96	\$811.98	\$ 232.31	\$251.22				
QUINCY MED CTR	\$ 7,456.89	\$ 1,756.53	\$ 1,400.67	\$821.12	\$ 232.31	\$251.22				
<b>SAINTS MEM MED CTR</b>	<b>\$ 5,312.71</b>	\$ 1,345.46	<b>\$ 1,010.83</b>	not applicable	\$ 232.31	\$251.22				
SOUTH SHORE HOSP	\$ 4,479.16	\$ 1,113.27	\$ 869.24	not applicable	\$ 232.31	\$251.22				
SOUTHCOAST	\$ 5,903.62	\$ 1,453.49	\$ 1,108.02	\$811.98	\$ 232.31	\$251.22				
<b>ST. ANNE'S</b>	<b>\$ 7,583.29</b>	\$ 1,814.65	<b>\$ 1,413.63</b>	not applicable	\$ 232.31	\$251.22				
ST. ELIZABETH'S HOSPITAL	\$ 9,186.06	\$ 2,206.71	\$ 1,702.92	\$821.12	\$ 232.31	\$251.22				
<b>ST. VINCENT'S HOSPITAL</b>	<b>\$ 7,861.45</b>	\$ 1,746.23	<b>\$ 1,481.68</b>	\$811.98	\$ 232.31	\$251.22				
<b>STURDY MEMORIAL HOSPITAL</b>	<b>\$ 4,633.34</b>	\$ 1,215.70	<b>\$ 890.32</b>	not applicable	\$ 232.31	\$251.22				
<b>U. OF MASS. MED. CTR.</b>	<b>\$ 8,521.20</b>	\$ 2,107.52	<b>\$ 1,574.77</b>	\$811.98	\$ 232.31	\$251.22				
<b>WINCHESTER HOSPITAL</b>	<b>\$ 4,158.47</b>	\$ 1,103.94	<b>\$ 807.20</b>	not applicable	\$ 232.31	\$251.22				
WING MEMORIAL HOSP	\$ 6,386.05	\$ 1,791.97	\$ 1,191.59	\$811.98	\$ 232.31	\$251.22				

\* Public Service Hospital Providers

\*\* Sole Community Hospital

\*\*\* Specialty Hospitals and Pediatric Specialty Units



## Appendix D

### Exhibit 1: Hospital-Specific PAPE Rates (continued)

PROVIDER NAME	PAPE HRY 2007
MARY LANE HOSPITAL	180.37
MASS EYE & EAR INFIRMARY	380.09
MASS GENERAL HOSPITAL	262.08
MERCY HOSPITAL	203.08
MERRIMACK VALLEY HOSPITAL	302.95
METROWEST MEDICAL CENTER (COLUMBIA)	204.34
MILFORD WHITINSVILLE HOSPITAL	248.65
MILTON MEDICAL CNETER	316.72
MORTON HOSPITAL INC.	203.38
MOUNT AUBURN HOSPITAL	319.87
NANTUCKET COTTAGE HOSPITAL	268.81
NASHOBA VALLEY MEDICAL CENTER	281.45
NEW ENGLAND BAPTIST HOSPITAL	241.67
NEWTON-WELLESLEY HOSPITAL	191.62
NOBLE HOSPITAL	198.19
NORTH ADAMS REGIONAL HOSPITAL	193.77
NORTH SHORE MEDICAL CENTER	275.87
NORTHEAST (BEVERLY HOSPITAL CORP)	222.86
QUINCY MEDICAL CENTER	224.02
SAINT VINCENT HOSPITAL	211.88
SAINTS MEMORIAL MEDICAL CENTER	263.06
SOUTH SHORE HOSPITAL	297.55
SOUTHCOAST HOSPITAL	227.59
ST ANNE'S HOSPITAL	267.53
ST ELIZABETH HOSPITAL	326.49
STURDY MEMORIAL HOSPITAL	206.20
TUFTS NEW ENGLAND MEDICAL CENTER	247.81
UMASS MEMORIAL MEDICAL CENTER	220.76
WINCHESTER HOSPITAL	225.01
WING MEMORIAL HOSPITAL	124.56

negotiations, and verbal agreements between the parties; and that the following attachments will be deemed to be part of this Contract:

1. Any special conditions that indicate they are to be incorporated into this Contract and that are signed by both parties to this Contract;
2. The Acute Hospital RFA dated August 18, 2006, and amended September 15, 2006, November 20, 2006, and January 15, 2007, and all appendices and attachments thereto;
3. All information and documentation submitted by the Contractor in response to the Acute Hospital RFA; and
4. The Provider application(s) and supporting documentation of the above-named Contractor, which is required to be on file with MassHealth and supporting documentation and any changes or amendments thereto accepted and agreed to by EOHHS.

In the event of any conflict among the documents that are a part of this Contract and any regulation now existing or hereinafter adopted by MassHealth, the terms of the Contract shall prevail.

The Contractor hereby represents and warrants that it is the licensee of the below-named Hospital facility(ies).

The person signing this Agreement on behalf of the Contractor warrants that he/she has actual authority to bind the Contractor.

**Contractor**

**Executive Office of Health  
and Human Services**

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(Legal Name of Licensee)

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(Name[s] of Hospital[s], if Different)

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(Signature)

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Name

---

Title

---

Date

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(Signature)

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Name

---

Title

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Date